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State of Utah

DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

MARY ANN WRIGHT
Acting Division Director

Supervisor

Inspection Report

Minerals Regulatory Program

Report Date: March 2, 2005

Mine Name: Lavon Giles Site
Operator or Permittee Name:
W. W. Clyde Obayashi
Permittee Mailing Address:
HC 65 Box 119, Bluebell, Utah 84007

Permit number: S/013/009
Inspection Date: February 3, 2005

Inspector(s): Paul Baker

Other Participants: Matt Barnes and Kayleb
Walters (W. W. Clyde Obayashi); Levon Giles (land
owner)

Permit Status: Not yet proposed

Current Acreages:

Total Permitted (Bonded): 0

Total Disturbed: 0

Weather: Mostly clear, 30's, a few
inches of snow on the ground
Inspection Start Time: 10:30 AM
Inspection End Time: about 11:00 AM
Site location/Area Inspected (i.e. Pit #):
Area of proposed mine

Surface Ownership: Fee
Mineral Ownership: Fee, I believe
Mineral Mined: Clay/Silt
Type of Mine: Surface

Elements of Inspection	Evaluated	N/A	Comment	Enforcement
1. Permits, Revisions, Transfer, Bonds	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Public Safety (open shafts, adits, trash, signs, highwalls)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Protection of Drainages	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Explosives, magazines	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Deleterious Material	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Roads (maintenance, surfacing, dust control, safety)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Concurrent Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Erosion Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Demolition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Backfilling and Grading (trenches, pits, roads, highwalls, shafts, drill holes)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Water Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Soils	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. Air Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Purpose of Inspection:

The operator is in the process of enlarging the Big Sand Wash Dam for the Bureau of Reclamation as part of the Central Utah Project and needs clay for the core of the dam. I wanted to see the site and also to consider whether a variance from revegetation requirements would be justified

Inspection Summary:

1. Permits, Revisions, Transfer, Bond

The Division was informed of this intended mining by Mike Hyde with Duchesne County. It was apparently originally intended that the disturbed area would be 10 acres, and I understand the county is holding a bond of \$10,000. Mr. Hyde said he is willing to have the Division named on the bond. It would need to include a statement that the bond would not be released until the Division of Oil, Gas and Mining had concurred with the release. Once the operator submits a Notice of Intention to Commence Small Mining Operations, the Division will work with the County to effect this change.

We discussed whether it would be necessary to permit this site. In the Mined Land Reclamation Act, "mineral deposit" is defined as including unconsolidated mineral matter, but it excludes sand, gravel and rock aggregate. Sand is defined in the R647 regulations as ". . . a naturally occurring unconsolidated to moderately consolidated accumulation of rock and mineral particles, the dominant size range being between 1/16mm to 2mm, which has been deposited by sedimentary processes." According to analyses performed by W. W. Clyde Obayashi, the material proposed to be mined has less than 50 percent sand-sized particles, so it does not fit the definition of sand. Therefore, the proposed activity falls within the definition of "mining operation."

10. Backfilling and Grading

The operator intends to salvage topsoil then excavate about 12 feet deep. The operator needs to work with the land owner so, at the time of reclamation, the site can be graded to a useful condition. Mr. Giles mentioned the possibility of the pit becoming a stock watering pond.

12. Soils and

13. Revegetation

The only vegetation I could see in the area that would be disturbed is greasewood (Photo 1). Greasewood grows in saline soils, and these soils often have increased salt concentrations at greater depths. If this site is mined, I anticipate revegetation will be very difficult if not impossible.

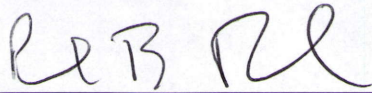
Directions to the site:

There are apparently two ways of getting to the site, but I do not know the way the operator intends to use. Before going to this site, one should notify the operator and/or the land owner. Start by going about 10 miles east of Duchesne on US 40 and turning

Inspection Date: February 3, 2005; Report Date: March 2, 2005
Page 3 of 3
S/013/009

north toward Bridgeland. Cross the Duchesne River and continue heading north to 6000 South. Turn east on this road which curves south to 6450 South then curves south again at 7240 West. Along this road, there is a silo with a road veering off to the right. Take the road leading right. From here, I did not make notes of the directions. This road goes up through some fields, heads north along the edge of a field, then crosses a canal before getting to the site.

Inspector's Signature



Date: February 9, 2005

PBB;jb

Enclosures: Photo Attachment

cc: Kayleb Walters, W. W. Clyde Obayashi
Lavon Giles, Land Owner
Mike Hyde, Duchesne County

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**ATTACHMENT
Photographs**

**S/013/009 (Unpermitted), Giles Site, W. W. Clyde Obayashi
Inspection Dated: February 9, 2005; Report Dated: March 2, 2005**

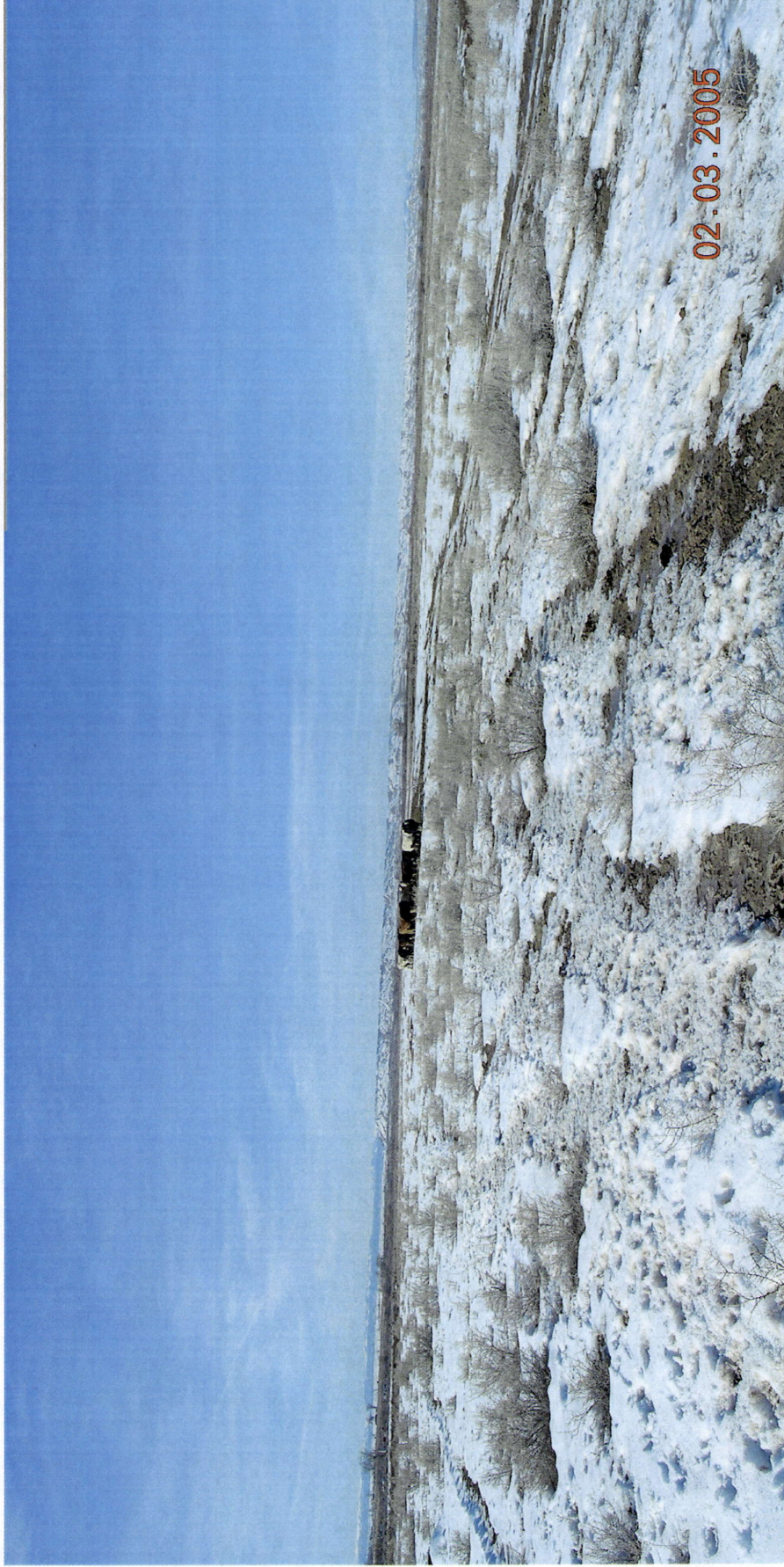


Photo 1. A composite of two photographs showing where the clay mine would be located. The shrubs are greasewood. Note the lack of other vegetation.